

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

<p>IN RE:</p> <p>PRINCIPAL LIFE INSURANCE COMPANY, f/k/a PRINCIPAL MUTUAL LIFE INSURANCE COMPANY,</p> <p style="text-align:right">Complainant,</p> <p>vs.</p> <p>MIDAMERICAN ENERGY COMPANY, Respondent.</p>	<p>DOCKET NO. FCU-01-3</p>
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**ORDER ESTABLISHING PROCEDURAL SCHEDULE
AND NOTICE OF HEARING**

(Issued January 24, 2002)

On December 21, 2001, Principal Life Insurance Company, f/k/a Principal Mutual Life Insurance Company (Principal) filed a written complaint against MidAmerican Energy Company (MidAmerican) with the Utilities Board (Board) pursuant to Iowa Code § 476.3(1) (2001) and 199 IAC 6. In its complaint, Principal alleged that MidAmerican breached its obligation to provide electric service to Principal for the Corporate Campus at the lower of the parties' contract rate or the tariff rate established by MidAmerican's Price Schedule LHS.

On January 11, 2002, the Board issued an order initiating this formal complaint proceeding and assigning the case to the undersigned administrative law judge. The Board also ordered the parties to file responses to Principal's complaint

by January 18, 2002. MidAmerican filed an answer, and the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed a response to the complaint on January 18, 2002.

A scheduling telephone conference call was held on January 23, 2002. All parties were represented at the conference call, and the procedural schedule set forth in this order was agreed to by the parties.

The statutes and rules involved in this case include Iowa Code Chapter 17A, §§ 476.3, 476.5, and 476.33 (2001); and Board rules at 199 IAC 1.8, 20.4(1)"b", and Chapters 6 and 7. The issues in this case generally involve the appropriate electric rate to be charged at Principal's corporate complex in downtown Des Moines.

When parties file their prepared testimony, they must include answers to the following questions. Although a question may be directed at a particular party, any party who wishes may answer the question.

The following questions must be answered by Principal:

1. In its complaint at page five, Principal asserts the "primary heat source for the Corporate Campus is, in fact and by design, electric space heating, in the form of heating from resistance coils and heat recovered from electric lights." What types and amounts of energy did Principal actually use for heating? Please provide a detailed monthly accounting of energy used for heating, cooling, and other end-uses, for the entire period under dispute. In this accounting, Principal must account separately for natural gas energy used for heating, electricity used in resistance heating, and electricity used in lighting. Principal must also estimate the amount of

electricity used to produce visible light, and the amount of electricity used to produce waste heat from lighting. Principal must fully describe and document the methods and sources of estimates for waste heat from lighting.

2. What makes the design of Principal's HVAC system different from typical commercial design, in which waste heat from lighting simply flows out from the lights into the building environment? Principal must provide detailed evidence to support its assertion that the "HVAC systems for the Corporate Campus were expressly designed and constructed to recover heat from electric lights," and must provide detailed evidence that the system as built and operated is functioning as designed, as follows:

(a) Please provide a detailed description of the design features for the HVAC system used to heat and cool the Corporate Campus, including as-built plans and schematics and descriptions of operating procedures.

(b) Please describe and explain how heat is recovered from lighting, and how the heat recovery system functions in both heating and cooling modes of operation. Provide drawings and examples that support the description and explanation.

(c) Please explain how Principal's recovery of heat from lighting differs from lighting systems in which waste heat from lighting migrates into the occupied building space without a system of recovery.

The following questions must be answered by MidAmerican:

1. How does MidAmerican's "analysis" show that Principal is ineligible for LHS service? MidAmerican refers to an analysis of Principal's gas usage and electric load profile on page five of its answer. Please provide complete details of this analysis of Principal's energy use, including tables and charts, which illustrate Principal's natural gas usage and electric load profile, over the entire period in dispute.

2. Why does MidAmerican believe the Principal Corporate Campus differs from other large commercial facilities which are eligible for the LHS rate? Please provide detailed support for MidAmerican's assertion that "Principal's electric load profile is inconsistent with a typical Rate Schedule LHS customer." (answer, page five) Please provide load profiles for the average electric use of LHS and LPS customers.

3. Please provide detailed support for the assertion (answer, page five) that Principal's electric load profile is inconsistent with the purpose and design of the Price Schedule LHS.

4. How does MidAmerican generally determine that a large commercial customer is or is not eligible for LHS service? Did MidAmerican apply such a determination to Principal? Please provide cogent examples of MidAmerican's evaluation of customers similar to Principal and how it determined from analyses of their energy use whether each customer was eligible for LPS or LHS service. Please provide MidAmerican's similar evaluation of Principal and how it determined Principal was ineligible for LHS service.

5. How did MidAmerican determine that "Price Schedule LHS is not consistent with MidAmerican's cost of providing electric service to Principal?"

(answer, page five) Please provide detailed evidence to support this assertion. For example, MidAmerican must provide current hourly cost data for the load profile it asserts Principal imposes on its system.

IT IS THEREFORE ORDERED:

1. The parties must answer the questions stated in this order as a part of their first round of prepared testimony.

2. On or before March 1, 2002, Principal must file prepared direct testimony and exhibits.

3. On or before April 15, 2002, MidAmerican must file prepared testimony and exhibits. If the Consumer Advocate is going to file prepared testimony or exhibits, it must do so by April 15, 2002.

4. On or before May 13, 2002, Principal must file prepared rebuttal testimony and exhibits. If the Consumer Advocate is going to file prepared testimony or exhibits to rebut MidAmerican, it must do so by May 13, 2002.

5. If MidAmerican is going to file prepared testimony and exhibits to rebut the Consumer Advocate, it must do so by May 28, 2002. If the Consumer Advocate is going to file further prepared rebuttal testimony, it must do so by May 28, 2002.

6. A hearing for the presentation of evidence and the cross-examination of witnesses will be held in the Board Hearing Room, 350 Maple Street, Des Moines, Iowa, on June 4 and 5, 2002, commencing at 10 a.m. The parties should come to

the hearing room by 9:45 a.m. on June 4, 2002, to mark exhibits. Persons with disabilities requiring assistive services or devices to observe or participate should contact the Utilities Board at (515) 281-5256 in advance of the scheduled date to request that appropriate arrangements be made.

7. A briefing schedule will be set at the conclusion of the hearing.

8. In the absence of objection, all data requests and responses referred to in testimony or on cross-examination will become part of the evidentiary record of these proceedings. Pursuant to 199 IAC § 7.2(6), the party making reference to the data request must file one original and three copies of the data request and response with the Executive Secretary of the Utilities Board at the earliest possible time.

9. Any person not currently a party who wishes to intervene in this case must meet the requirements in 199 IAC 7.2(7) and 7.2(8). The person must file a petition to intervene on or before twenty days following the date of issuance of this order, unless the petitioner has good cause for the late intervention. 199 IAC 7.2(8).

UTILITIES BOARD

/s/ Amy L. Christensen
Amy L. Christensen
Administrative Law Judge

ATTEST:

/s/ Judi K. Cooper
Executive Secretary

Dated at Des Moines, Iowa, this 24th day of January, 2002.